

Reporting Your Household Size and Income

When You Apply Through Maryland Health Connection

When you apply for health coverage through Maryland Health Connection, you'll enter information about your household size and income to see if you may qualify for lower costs.

Household size

Do include:

- × Yourself
- × Your spouse
- Your children who live with you, even if they make enough money to file a tax return themselves
- Your unmarried partner if he or she is seeking health coverage
- Anyone you include on your tax return as a dependent, even if they don't live with you
- Anyone else under 21 who you take care of and lives with you

To learn who qualifies as a dependent, refer to IRS Publication 501.

Don't include:

- Your unmarried partner who doesn't need health coverage and is not your dependent
- Your parents who live with you, but file their own tax return and are not your dependents
- Other relatives who file their own tax return and are not your dependents

Household income

You'll need to estimate your household income for the year in which you want health coverage. For example, when applying for health coverage effective in January 2015, you need to estimate your expected household income for 2015.

Your household income includes income for:

- X You and your spouse, if you are married and will file a joint tax return
- X Any dependents who make enough money to be required to file a tax return

Your Modified Adjusted Gross Income (MAGI) when determining eligibility for Medicaid, MCHP, advanced premium tax credits or cost-sharing reductions includes:

- X Income from your job
- Net income from any self-employment or business (generally the amount of money you take in from your business minus your business expenses)
- X Unemployment income
- Social Security payments (including disability payments but not Supplemental Security Income)
- X Alimony
- X Retirement income
- Investment income
- × Pension income
- X Rental income
- Other taxable income such as prizes, awards, and gambling winnings



Don't include in your household income:

- X Child support
- × Gifts
- X Supplemental Security Income
- X Veterans' disability payments

- X Workers' compensation
- Proceeds from loans (like student loans, home equity loans, or bank loans)

Deductions: You also may subtract these deductions from your household income (there may be <u>limits on the amount you can claim</u>):

- X Alimony you pay
- X Student loan interest you pay
- Educator expenses if you're a teacher and pay for supplies out-of-pocket
- Contributions to your individual retirement account if you don't have a retirement account through a job
- Moving expenses if you're moving to live much closer to your job
- Tuition costs for school if you pay for the costs out-of-pocket and deduct them on your tax return on line 34

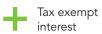
For more information on reporting your income, see IRS Publication 525.

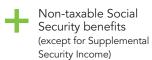
Calculating your projected yearly income

Adjusted Gross Income (found on Line 37 on IRS Form 1040)



Foreign income





Modified
Adjusted
Gross Income
(MAGI)

Report changes in your income and household size

You should report changes in your household size and income to Maryland Health Connection at 1-855-642-8572 (TTY: 1-855-642-8573) to be sure you are receiving the right amount of tax credit.

Not reporting changes could mean you will owe the difference when you file your tax return if you are eligible for a lower tax credit.

Examples of a change in household size

- You get married or divorced
- X You have a baby
- You no longer claim your child as a dependent on your tax return

Examples of a change in household income

- X You get a raise
- X You lose your job
- X You take a salary cut

IF YOUR	YOU SHOULD CALL TO REPORT THE CHANGE
Family size goes DOWN	You may be eligible for a lower tax credit based on your new household size.
Family size goes UP	You may be eligible for a higher tax credit based on your updated household size.
Income goes DOWN	You may be eligible for a higher tax credit based on your updated household income.
Income goes UP	You may be eligible for a lower tax credit based on your updated household income.